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ABSTRACT

Not for profit community college foundations play a major role in overall resource development. Because foundations are legally and organizationally independent of the college, they are able to promote the well-being of the college without the statutory limits imposed by the governing board and staff. Foundation money is not restricted to basic functions and permits colleges to implement programs and services not within their operating budgets. Ties with community leaders can be strengthened through foundations, while alumni and other supporters gain an opportunity to show their appreciation in tangible ways. Four phases in the development of a foundation have been identified as: (1) the development of articles of incorporation and by-laws; (2) the education of the foundation board on the college's programs; (3) the initiation of a large scale community relations campaign; and (4) the planning of fund-raising activities and other events for the coming year. An important measure of the effectiveness of a foundation is the number and amount of donations it solicits. The most effective methods of fund-raising include direct mailings, special events, annual fund campaigns, and other activities. The commitment of the college and foundation administration, however, is the key to the foundation's success. The report includes a list of references. (AJL)

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ERIC Digest, July 1988

by

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U.S. DEPARTMENT OF EDUCATION
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CLEARINGHOUSE FOR JUNIOR COLLEGES

ERIC DIGEST

EDUCATIONAL RESOURCES INFORMATION CENTER

July 1988
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COMMUNITY COLLEGE FOUNDATIONS

Debra Banks and Theo Mabry

Many community colleges are responding to decreasing funding and rising costs by mounting aggressive fund-raising campaigns to solicit financial support from individuals and corporations. The not-for-profit community college foundation plays a major role in the colleges' overall resource development plan by soliciting gifts directly, promoting the college to its publics, and determining how the resulting funds are allocated (Keener, 1982).

The Chronicle of Higher Education (Bailey, 1986) reported that as of January 1986, an estimated 730 community colleges had established foundations, up from 546 in 1978. According to Robison (1982), these organizations are usually one of the following types:

1) Holding Corporations, which possess and manage assets as their only activity;
2) Personality or "Old Buddies" Foundations, which act almost as the personal charity of a community and social leader and his/her friends;
3) Structural Agents or Operating Foundations, which, acting as separate legal entities, conduct financial transactions not permitted within public school budgets;
4) Special Purpose Foundations, which solicit, manage and disburse funds for a single cause, such as a scholarship fund; or
5) Comprehensive Foundations, which may encompass features of the other four models.

Because the foundation is legally and organizationally independent of the college, it is able to promote the well-being of the college without the statutory limits placed upon the college's governing board and staff. There are no restrictions on the legitimate concerns of a community college foundation.

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Reasons for Establishing a Foundation

Kopecek (1982) highlights a number of ways in which foundations can benefit community colleges.

- Because a non-profit foundation has tax exempt status, the contributions of individuals, businesses, and corporations to the foundation are tax deductible, while donations made directly to the college are not.

- Foundation support permits colleges to implement programs and services that are not within their operating budgets. Possibilities include community service programs for older adults, enrichment programs for talented or at-risk high school students, day care centers for the children of the students and staff, or specialized in-service training.

- Unlike public funds, foundation money is not restricted to basic functions, making it possible for community colleges to build facilities, such as art centers, museums, or theaters; offer recreational, remedial or community service programs; and purchase sophisticated technological equipment that might not legally be financed with state moneys.

- Ties with community leaders can be strengthened.

- Foundations give alumni and other college supporters an opportunity to show their appreciation in tangible ways.

Though these benefits are potentially available to all colleges, a number of factors will affect the extent to which individual foundations can accrue them, including the geographic location, age, and size of the campus; the abundance of wealth present in the community; the community's pre-existing level of institutional awareness and commitment to giving; and the satisfaction of college alumni with their educational experiences.

Creating a Community College Foundation

Sharron (1978) lists four phases in the development and organization of a foundation.

Phase One: Organization & Administration	The college develops articles of incorporation and by-laws for the foundation, files for IRS tax-exempt status, secures the approval of the state government, selects the core group of the board of directors, and develops a brochure for public distribution.
Phase Two: Educational Awareness	The foundation's board of directors is briefed by the college administration on the various activities and programs of the college.

Phase Three: Community Relations	The foundation undertakes a large-scale public relations campaign, distributing brochures about the foundation and various college programs and setting up opportunities for the college president to address community groups.
Phase Four: Planning & Implementation	The board of directors and its committees plan a calendar of fund-raising activities and other events for the coming year.

According to Sharron, during the first year of operation, the foundation should focus on cultivating potential donors and volunteers. During the second year, activities should emphasize on corporate giving. During the third year, a program of planned or deferred giving should be implemented.

Characteristics of Successful Community College Foundations

Duffy (1979) reports that the community college foundations that most effectively meet their goals share the following characteristics. They

- have strong public relations with the community;
- involve community leaders and potential donors in their operations;
- provide for community involvement in campus activities;
- sponsor college-oriented events on an ongoing basis;
- serve as a major source of student financial aid; and
- initiate new ideas and processes.

Another measure of the success of foundations is the number and amount of donations they solicit. Reporting on a national survey of community colleges, Degerstedt (1982) identified the following fund-raising methods as most effective:

personal solicitations, including those made by foundation board members
direct mailings to the community at large
special events
business/industry donations
limited direct mailings to targeted groups, such as alumni, businesses, or special interest groups
annual fund campaigns
memorial gifts
membership dues
wills, bequests, estates
benefit dinners
special projects
staff donations
community programs

Underpinning the ability of foundations to raise significant amounts of money and garnering community support are the backing of the college's president or chief executive officer; mechanisms within the foundation for effective planning and goal-setting; ongoing communication between the foundation and the college and the community; and an understanding of factors that will motivate the community to support the foundation.

The commitment of the board of directors to the foundation and the college and active in advisory and fund-raising roles is also instrumental to success of the foundation. Kopecek (1982) suggests that: (1) the board be relatively large, including between 18 and 35 members; (2) meetings be held no more than three or four times a year; (3) meetings be well organized, focusing on action items and short reports; and (4) day-to-day activities be guided by an executive committee and staff, under the direction of the executive director of the foundation, who is preferrably a full-time member of the college staff.

The economic climate of the 1980's dictates that community colleges become more aggressive and creative in seeking private financial support. The foundation can play a central role in an effective resource development program.

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